

*Legislation Provides Optional Five Year Delay of Flood Insurance*

*Purchase Requirement, Reimburses Homeowners for Cost of Flood Map Appeal Process*

Washington, DC - Congressman Maurice Hinchey (D-NY) last week introduced the Flood Insurance Fairness Act of 2011 (FIFA) to assist property owners with new costs they face due to the Federal Emergency Management Agency's (FEMA) flood map modernization program. With thousands of families throughout New York facing a new requirement to purchase flood insurance as they are remapped into flood zones under FEMA's plan, the FIFA legislation would give property owners the option to delay the flood insurance purchase requirement for up to five years and require FEMA to cover certain costs associated with the flood hazard map appeals process. Similar legislation was introduced by Hinchey in the previous Congress.

"Many home and small business owners are seeing their properties re-mapped into flood zones even if they've never experienced a flood," said Hinchey. "When you're in a flood zone, you need flood insurance. That means thousands of families and small business owners throughout New York are facing new costs at exactly the wrong time. To help families and small businesses who already feeling the pinch of a tight economy, this bill will give property owners the option to delay the need to purchase flood insurance for five years. It also phases in the cost of the insurance during the following five years and provides financial reimbursement for costs incurred while appealing a FEMA flood risk assessment."

Hinchey's bill contains five provisions, which would:

- Provide property owners with homes and businesses newly designated as being in a flood zone with the option of delaying the flood insurance purchase requirement for up to five years.
- Phase in flood insurance premium rates over a five year period, beginning as soon as a property owner initiates a flood insurance policy.
- Require FEMA to reimburse property owners for the cost of technical and scientific data used to support successful flood hazard map appeals and protests.

- Prohibit FEMA from revising and updating a floodplain area or flood-risk zone until FEMA submits to Congress a community outreach plan for the updating of floodplain areas and flood-risk zones.

- Require FEMA to notify members of Congress regarding key map modernization developments in their districts, including the issuance of preliminary maps.

In July 2010, Hinchey successfully attached several provisions of FIFA to a bill that would have extended the National Flood Insurance Program (NFIP). The bill was not taken up by the Senate. Instead a temporary measure, which expires in September, was signed into law. In March, Hinchey wrote to House and Senate leaders to call for a reauthorization of NFIP with the inclusion of the FIFA provisions.

Several problems have arisen throughout the remapping process with regard to existing flood mitigation structures. In March, Congressman Hinchey joined U.S. Senator Charles Schumer (D-NY) in calling on FEMA to clarify and pro-actively explain their flood mapping procedures with regard to the evaluation of existing levee systems. In their letter to FEMA Administrator Craig Fugate, the federal legislators insisted that FEMA delay the due date of mandatory engineering certifications for flood mitigation structures while FEMA devises new levee standards.

FEMA is required to establish flood-risk zones, which determine if property owners must purchase flood insurance. The current five-year flood map modernization initiative aims to update, revise and digitize the flood maps for more than 20,000 communities across the country in response to climate change, increased incidence of flood disasters, and changes to the environment.

Under the National Flood Insurance Program, created by Congress in 1968, property owners in flood-risk zones are required to purchase federally subsidized flood insurance if their property has a mortgage that is backed by the federal government